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UNCLAS SECTION 01 OF 02 AMMAN 003648

SIPDIS

SENSITIVE

ECON DAO RAO FCS PA

E.O. 12958: N/A

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SUBJECT: SURF'S UP: THE EBB AND FLOW OF THE JORDANIAN  
BOYCOTT

REF: A) AMMAN 3394 B) AMMAN 2093

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SUMMARY  
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1. (SBU) While anecdotal evidence suggests that a nationwide boycott of American products has waned for the time being, support at the street level remains strong. Despite GOJ efforts in various fora to discourage the action, boycotters seem to be determined to make a statement by rejecting what they see as symbols of American culture, regardless of possibly detrimental effects on the local economy. Increased support for the boycott on a moral/personal level rather than a symbolic/political level can only reinforce what may become an established aversion to things American. End summary.

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THE NUMBERS  
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2. (SBU) Since calls for a boycott reached a peak this spring (REF B), enthusiasm for it has ebbed and flowed as intensity of anger towards the U.S., driven by events in the West Bank/Gaza, has risen or fallen. McDonald's reports that current sales are down 25%, compared to 60% in late April. Burger King and Pizza Hut report similar numbers. (Note: In an informal visual survey, we noted that the McDonald's and Burger King franchises across the street from the University of Jordan, site of some of the most vehement anti-U.S. demonstrations, appeared to be quite busy. Similarly, Pizza Hut and McDonald's restaurants in an upscale Amman neighborhood, which were nearly empty in late spring, were much busier last week. End note.) Coca Cola and Pepsi report that soft drink sales are down about 40 percent from last year, although local stores say there has been a slight upturn recently. An influx of low-priced Syrian soft drink products (REF A), in an effort to take advantage of the boycott, has served as a politically-expedient substitute and has prolonged the slump.

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ANTI-BOYCOTT EFFORTS  
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3. (SBU) The GOJ has intervened at a number of levels to discourage the boycott. PM Abul Ragheb has prodded local opinion leaders and NGOs to deter calls for a boycott, and government officials have interceded with mosques to drop anti-U.S., pro-boycott preaching. Minister of the Interior Majali stated publicly that the boycott would "damage Jordan's interests and relationships with friendly countries" and would "jeopardize vital financial assistance". A Ministry of Industry and Trade official told Emboffs that Minister Bashir has spoken out against the campaign. Last week, the GOJ banned a planned rally by professional associations to promote a national boycott. Finally, Coca Cola GM Azem Yousef told us that at a ceremony celebrating the donation of computers by Coke to a Jordanian school, Minister of Education Tougan told teachers to stop "glorifying" the boycott, and that ending such talk has become a Ministry directive.

4. (SBU) The local AmCham, meanwhile, is constructing a proactive strategy to reduce the allure of boycott calls over the long term. In addition to placing reactive op-eds opposing the boycott, the AmCham is working with local journalists to educate them on the economic and job costs of the boycott to Jordan. More significantly, they are working with local media and U.S. company reps on a broad press strategy to highlight what American companies (as represented by Jordanian licensees) are doing to help local communities. This includes the Computers in the Classroom project by Coca Cola, Microsoft's assistance to Jordanian universities, and CitiBank's programs to educate underprivileged Jordanian girls and provide microfinancing to rural women. The AmCham hopes that by highlighting good corporate citizenship over the long run, they will create a constituency that actually supports U.S. businesses in Jordan.

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SURVEY SAYS . . .  
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15. (SBU) A survey recently conducted by Coca Cola Jordan shows both positive and negative trends in Jordanian attitudes towards the boycott. The survey canvassed 1200 adults throughout the Kingdom to gauge awareness of and attitudes toward the boycott.

16. (SBU) On the positive side, while 45 percent of the respondents are serious about the boycott, only 17 percent are committed to maintaining it indefinitely. What's more, 63 percent think Jordanian consumers are still buying American products. The survey indicates the products singled out are mainly fast foods, cigarettes, and soft drinks; American computer software, for example, rarely makes the list. Word of mouth on "the street", rather than any organized party-driven or Internet-led campaign, accounted for the source of most boycotters' information.

17. (SBU) Despite these positive indicators, the survey exposed more disturbing trends over the long term. For example, it said that 63 percent of those surveyed said the boycott should include Jordanian companies that carried American brands. More worrying, respondents were split down the middle about whether Jordanian companies should be targeted even if it hurts the Jordanian workforce, suggesting that efforts to link the boycott to a negative impact on the local economy may not be successful. Regarding soft drinks specifically, 52 percent said that they were not buying American brands because of perceived company support for Israel. While this group could not specify the form such support might take, it is significant that the companies themselves were perceived as policy players, however indirectly.

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COMMENT  
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18. (SBU) The views expressed by respondents in the Coke survey suggests that warnings that the boycott harms Jordanian interests may well be immaterial and that the urge to make a moral statement, however economically insignificant, takes precedence. These trends point to a wider phenomenon in which Jordanians across the economic spectrum feel themselves more politically empowered on a personal level by avoiding American products. Such trends could in turn have significant consequences to our long-term efforts to promote both economic openness and political moderation in Jordan.  
Gnehm